

<p align="center"><b>Department of Administrative Services</b>  <b>Division of Fleet &amp; Surplus Services (DFSS)</b>  <b>Policies and Procedures</b></p>	<p>Effective Date: 11/8/2002 Revision Date: 00/00/00</p>
<p><b>Subject: Capital Leases</b></p>	

## **A. Purpose**

- 1) In accordance with R27-1-2 (8) fleet operations may allow agencies to lease vehicles on a Capital only basis. Providing these agencies have assigned fleet personnel, shop facilities and/or possess capable maintenance repair infrastructure.

## **B. Policy**

- 1) In order to be granted a capital only lease the agency must be able to demonstrate that they are capable of complying with the following requirements.
  - a) Accurately capture all maintenance and repair data in the Division of Fleet Operations (DFO) fleet management system
  - b) Provide and document an adequate PM program including a PM coupon book for each vehicle.
  - c) Document proper PM schedules in DFO's fleet management system
  - d) Be able to prove that the cost of maintenance is equal to or less than the cost incurred by full service leases.
- 2) Full Service Leases will be reviewed by DFO on an annual basis to determine if the agency is meeting all of the requirements outlined by this policy.
- 3) Any material breach of this policy shall be considered a violation of the Service Level Agreement and may prompt a review of the agencies ability to maintain capital only leases